



Health Services
LOS ANGELES COUNTY

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October 10, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors,

**APPROVAL OF DELEGATION OF DUTIES AND ASSIGNMENT OF
RIGHTS OF AGREEMENT NO. H-702017 FROM DIVERSIFIED
DATA DEVELOPMENT CORPORATION TO AGDATA, L.P.**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to offer and sign Amendment No. 1 to Agreement No. H-702017, substantially similar to Exhibit I, approving the delegation of duties and assignment of rights of Diversified Data Development Corporation, dba Diversified Data Design Corporation (DDD) to AGDATA, L.P. (AGDATA), for the continued provision of encounter data capturing, processing, and reporting services for the Community Health Plan (CHP), effective date of Board approval through April 30, 2011, with provisions for two automatic annual renewals through April 30, 2013, under the same terms and conditions at no additional cost to County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

In approving the recommended actions, the Board is ensuring the continued provision of critically needed encounter data capturing, processing, and reporting services to remain in compliance with CHP's regulatory and oversight agencies.

FISCAL IMPACT/FINANCING:

There is no fiscal impact as a result of this action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The CHP, a full-service Knox-Keene licensed and federally qualified Health Maintenance Organization (HMO), is the County's publicly operated HMO administered by the Department's Office of Managed Care. The CHP provides services funded by the: a) L.A. Care Health Plan for Medi-Cal beneficiaries; b) California Managed Risk Medical Insurance Board for Healthy Families Program subscribers; c) Personal Assistance Services

Council (PASC) for In-Home Supportive Services workers; and d) County, for County's temporary employees enrolled under CHP.

Encounter data capturing, processing, and reporting is mandated by CHP's regulatory and oversight agencies. Non-compliance in the timeliness, volume, and accuracy of submitted encounter data may result in sanctions, financial penalties, restriction of assigned members, and loss of health care program contracts.

On September 15, 1999, the Internal Services Department (ISD) approved a purchase order with DDD to provide capturing, processing, and reporting Child Health and Disability Prevention encounter information for the CHP. Subsequently, on September 17, 2001, ISD approved a supplemental purchase order with DDD to include medical out-patient, in-patient, and long-term care encounters for CHP.

On June 4, 2002, the Board of Supervisors approved Agreement No. H-207575 with DDD for encounter data processing services. Subsequently, on March 18, 2003 and April 20, 2005, the County and DDD signed Amendment No. 1 and Amendment No. 2, respectively, to include Health Insurance Portability and Accountability Act (HIPAA) language.

On April 18, 2006, the Board of Supervisors approved Agreement No. H-702017, a sole source replacement agreement, with DDD for encounter data processing services that includes capturing, processing, and reporting services for CHP, effective May 1, 2006 through April 30, 2011, with provisions for two automatic annual renewals through April 30, 2013.

On July 27, 2006, DDD notified DHS OMC that AGDATA had acquired ownership of DDD's stocks and that DDD became a subsidiary of AGDATA effective July 14, 2006.

The Amendment is not subject to approval by the Chief Information Office because neither the Agreement nor the Amendment provides for the purchase or acquisition of software, hardware or systems programming.

Exhibit I has been approved as to use and form by County Counsel.

Attachment A provides additional information.

CONTRACTING PROCESS:

It is not appropriate to advertise the assignment of agreement actions on the Los Angeles County Online Website.

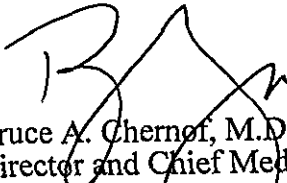
IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommended action will ensure the continued provision of encounter data services to remain in compliance with CHP's regulatory and oversight agencies.

The Honorable Board of Supervisors
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:lvb
DDD D&A.lvb.wpd

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervision

SUMMARY OF AMENDMENT

1. TYPE OF SERVICE:

Encounter data capturing, processing, and reporting services.

2. AGENCY NAME AND CONTACT PERSON:

From:

Diversified Data Development Corporation
dba Diversified Data Design Corporation
5875 Green Valley Circle
Culver City, California 90230
Attention: Horace J. Clark III, President
Telephone: (310) 973-2880
Fax: (310) 973-1381

To:

AGDATA, L.P.
2100 Rexford Road
Charlotte, North Carolina 28211
Attention: Steve Purdy, Esq., COO
Telephone: (704) 367-4611
Fax: (704) 367-0496

3. TERM:

The Delegation and Assignment is effective upon Board approval through April 30, 2011, with provisions for two annual automatic renewals through April 30, 2013, unless earlier terminated by County, with at least 30 calendar days written notice.

4. FINANCIAL INFORMATION:

There is no additional County cost for this Delegation and Assignment.

5. GEOGRAPHIC AREAS SERVED:

All areas.

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Office of Managed Care

7. APPROVALS:

Clinical and Medical Affairs: John Cochran, III, Chief Deputy Director

Contracts and Grants: Cara O'Neill, Chief

County Counsel: Eddward Yen, Deputy County Counsel